

8826

RECEIVED
LEGISLATIVE

04 AUG 31 PM

LOUISIANA BEEF INDUSTRY COUNCIL

DEPARTMENT OF AGRICULTURE

STATE OF LOUISIANA

BASIC FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-8-04

MCRIGHT & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
11817 BRICKSOME AVE. SUITE E
BATON ROUGE, LOUISIANA

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

CONTENTS

	Page No.
Independent Auditor's Report	2
Required Supplementary Information Management's Discussion & Analysis	5
Basic Financial Statements	
Statement of Net Assets	10
Statement of Revenues, Expenses, & Changes In Fund net Assets	11
Statement of Cash Flows	12
Notes to the Financial Statements	14
Supplementary Information	
Statement of Revenues, Expenses, & Changes in Net Assets Budget & Actual (GAAP Basis)	23
Statement of Revenues, Expenses, & Changes in Net Assets - By Assessments Source	24
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	25
Report on Compliance with the Beef Promotion & Research Act of 1985	27
Schedule of Current Findings and Questioned Costs	28
Summary Schedule of Prior Audit Findings	29
Division of Administration Reporting Package	30

McRight & Associates

11817 Bricksome Ave., Suite E
Baton Rouge, Louisiana 70816
(225) 292-2041

L. Dalton McRight, CPA, MBA

Jeanette R. McRight, CPA, MBA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisiana Beef Industry Council
State of Louisiana

We have audited the accompanying basic financial statements of the Louisiana Beef Industry Council, a component unit of the State of Louisiana, as of and for the year then ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Auditing Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Beef Industry Council as of June 30, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2004, on our consideration of the Louisiana Beef Industry Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Management's Discussion and Analysis and the other required supplementary information on pages 5-8, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

McRight & Associates

Our Audit was conducted for the purpose of forming an opinion on the Financial Statements that collectively comprise the Louisiana Beef Industry Council's Basic Financial Statements. The accompanying supplemental schedules and the Division of Administration Reporting Package listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McRight & Associates

McRight & Associates

July 21, 2004

MANAGEMENT' S DISCUSSION AND ANALYSIS

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

The Management's Discussion and Analysis of the Louisiana Beef Industry Council's financial performance presents a narrative overview and analysis of the Louisiana Beef Industry Council's financial activities for the year ended June 30, 2004. This document focuses on the current years activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Louisiana Beef Industry Council's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Louisiana Beef Industry Council's assets exceed its liabilities at the close of fiscal year 2004 by \$402,820 which represents a 21% increase from last fiscal year. The net assets increased by \$67,006.

The Louisiana Beef Industry Council's revenues increased \$7,920 and the net results from activities decreased by \$71,477.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Louisiana beef Industry Council as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (pages 10) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana Beef Industry Council is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (pages 11) presents information showing how the Louisiana Beef Industry Council's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (pages 12-13) presents information showing how Louisiana Beef Industry Council's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

**Statement of Net Assets
June 30, 2004 and 2003
(in thousands)**

	2004	2003
Current and other assets	\$451	\$384
Capital assets	<u>0</u>	<u>0</u>
Total assets	<u>451</u>	<u>384</u>
Other Liabilities	48	48
Long-term liabilities	<u>0</u>	<u>0</u>
Total liabilities	<u>48</u>	<u>48</u>
Net Assets:		
Invested in capital assets	0	0
Restricted	0	0
Unrestricted	<u>403</u>	<u>336</u>
Total net assets	<u>403</u>	<u>336</u>

FINANCIAL ANALYSIS OF THE ENTITY

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of Louisiana Beef Industry Council increased by \$67,006, from June 30, 2003 to June 30, 2004.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Years Ended June 30, 2002 and 2004
(in thousands)

	<u>6/30/2004</u>	<u>6/30/2003</u>
Operating revenues	\$454	\$456
Operating Expenses	(389)	(309)
	-----	-----
Operating income (loss)	65	147
Non-operating revenues (expenses)	2	6
	-----	-----
Income (loss) before transfers	67	153
Transfers In	0	0
Transfers out	0	0
	-----	-----
Net increase (decrease) in net assets	<u>67</u>	<u>153</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

For the year ended June 30, 2004, the Louisiana Beef Industry Council did not have any investments in capital assets.

Debt

The Louisiana Beef Industry Council did not have any bonds or notes outstanding at year-end.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

The Louisiana Beef Industry Council is not legally required to adopt a budget, but a budget is prepared for operating purposes. The budget is amended at each council meeting to reflect current estimated assessments and to adjust expenditures accordingly.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Louisiana Beef Industry Council's appointed officials considered the following factors and indicators when setting next year's expenditures. These factors and indicators include:

Forecasts of future cattle sales.

CONTACTING THE LOUISIANA BEEF INDUSTRY COUNCIL'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Louisiana Beef Industry Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional information, contact.

Mr. Bob Felknor
Louisiana Beef Industry Council
4921 I-10 Frontage RD.
Port Allen, LA 70767

Financial Statements

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
AS JUNE 30, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$222,847
Investments	164,439
Revenue receivable	61,696
Accrued interest	<u>1,655</u>

Total assets and other debits	450,637
--------------------------------------	----------------

LIABILITIES

CURRENT LIABILITIES

Accounts payable	<u>\$47,817</u>
------------------	-----------------

Total Current Liabilities	<u>47,817</u>
----------------------------------	----------------------

NET ASSETS

Unrestricted	<u>402,820</u>
--------------	----------------

Total Net Assets	<u>402,820</u> =====
-------------------------	---------------------------------------

The accompanying notes are an integral part of this statement.

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

Operating Revenues:

Assessments	
\$1 Checkoff	\$492,165
Less CBPRB Remittance	<u>(246,875)</u>
	245,290
LA. \$.50 Checkoff	211,191
Refunds	<u>(2,332)</u>
	208,859
Total revenues	<u>\$454,149</u>

Expenditures:

Program expenditures:	
Advertising and other promotions	202,880
Research	352
Industry Information	24,139
Consumer Information	1,050
Travel	14,717
Livestock Shows	12,970
Education	<u>6,549</u>
Total Program Expenditures	262,657
General and Administrative	<u>126,128</u>
Total expenditures	<u>388,785</u>

Operating Income (Loss) **65,364**

Non-Operating Income (Expenses)
 Use of Money 1,642

 Total Non-Operating Revenue 1,642

Change in Net Assets 67,006

Total Net Assets - beginning 335,814

Total Net Assets - ending **402,820**
=====

The accompanying notes are an integral part of this statement.

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

Cash flows from operating activities	
Assessments received from customers	\$706,709
Cash payments to suppliers for Goods and services	<u>(636,874)</u>
Net cash provided (used) by Operating activities	<u>69,835</u>
 Cash flows from non-capital financing activities	
 Cash flows from capital and related financing	
 Cash flows from investing activities	
Interest Income	<u>1,642</u>
 Net increase (decrease) in cash and Cash equivalent	 71,477
Cash and cash equivalent at beginning of year	<u>151,370</u>
Cash and cash equivalent at end of year	<u>222,847</u> =====

The accompanying notes are an integral part of this statement

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

Reconciliation of operating income (loss) to
Net cash (used) by operating activities:

Operating income (loss) \$65,364

Changes in assets and liabilities:

(Increase) decrease in accounts receivable 4,925

Increase (decrease) in accounts payable (454)

Net cash provided (used) by operating
Activities

69,835

Schedule of non-cash investing, capital, and financing activities:

None.

See Notes to Financial Statements

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

INTRODUCTION:

The Louisiana Beef Industry Council (the Council) is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture, as provided by Louisiana Revised Statute 3:555. The Council is composed of ten members appointed by the executive committee of the Louisiana Cattlemen's Association, the Board of Directors of the Louisiana Livestock Auction Markets Association, and the president of the Louisiana Farm Bureau Federation. The commissioner of Agriculture serves as an ex-officio member of the Council. The members serve three year terms with no member serving more than two consecutive terms. The Council is charged with the responsibility of helping develop, maintain, and expand the state, national and foreign markets for cattle and beef products produced, processed, or manufactured in this state, and to permit the cattle production and feeding industry of this state to contribute to the development and sustenance of Louisiana and nationally coordinated programs of product improvement. The operations of the Council are funded by an assessment levied on Louisiana cattle marketed within or outside of the state. The assessment revenues are statutorily established by the U. S. Beef Promotion and Research Act of 1985, 7 USC 2901-2918 and by Act 587 of the Louisiana Legislature.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June of 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. The board applies all GASB

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1999, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting For Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statement-Management's Discussion and Analysis-for State and Local Governments and related standards*. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

B. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity for the board to be the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries. The accompanying statements present only transactions of the Louisiana Beef Industry Council, and therefore, are a part of the fund and account group structure of the State of Louisiana. Annually the State of Louisiana issues basic financial statements, which are audited by the Louisiana Legislative Auditor.

C. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

The accompanying financial statements of Louisiana Beef Industry Council present information only as to the transactions of the programs of the Louisiana Beef Industry Council as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Beef Industry Council are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGET PRACTICES

The Council is a non-budgetary unit of the Department of Agriculture and is not required to legally adopt a budget. The board does prepare a budget that is amended at each board meeting as it reviews revenues received, then approves the expenditures.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

C. DEPOSIT WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSIT WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the board may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board. Further, the Council may invest in time certificates of deposits of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and in share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2004, were secured by federal deposit insurance as follows:

DEPOSITS IN BANK ACCOUNTS

	<u>June 30, 2004</u>	
	<u>Book</u>	<u>Bank</u>
Demand Deposits	\$222,847	\$245,255
Certificates of Deposit	<u>164,439</u>	<u>164,439</u>
Total Bank Balances	387,286	409,694
	=====	
Secured by FDIC Insurance		<u>200,000</u>
Secured by pledged securities		209,694
		=====

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

2. INVESTMENTS

The Council's investments consist of certificates of deposit with an original maturity of 90 days or more at original issue.

D. CAPITAL ASSETS

The fixed assets, costing more than \$5,000, used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net assets of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the statement of net assets. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

E. INVENTORIES

The council's inventories consists of office supplies and printed materials that are expensed at the time of purchase. These items are considered to be immaterial.

F. RESTRICTED ASSETS

The Council did not have any restricted assets at June 30, 2004.

G. LEAVE

The Louisiana Beef Industry Council does not have any employees.

H. RETIREMENT SYSTEM

The Louisiana Beef Industry Council does not have any employees.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Louisiana Beef Industry Council does not have any employees or former employees.

J. LEASES

The Louisiana Beef Industry Council does not have any operating leases or capital leases at June 30, 2004.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

K. LONG-TERM LIABILITIES

At June 30, 2004, the Louisiana Beef Industry Council did not have any long-term liabilities.

L. LITIGATION

The Louisiana Beef Industry Council is not a defendant in any litigation seeking damages.

M. RELATED PARTY TRANSACTIONS

The Council has a contract with the Louisiana Cattlemen's Association (LCA) to provide office facilities and personnel and to share various expenses of the Chief Executive Officer. The Council paid \$132,336 on this contract and for shared promotional expenses for the year ending June 30, 2004. The Council also shares the utilities and lease of billboard space with LCA for the year ended June 30, 2004.

N. ACCOUNTING CHANGES

There were no accounting changes made in the year ended June 30, 2004.

O. IN-KIND CONTRIBUTIONS

At June 30, 2004, the Louisiana Beef Industry Council did not have any in-kind contributions.

P. DEFEASED ISSUES

The Louisiana Beef Industry Council has not issued any taxable bonds.

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state. The Louisiana Beef Industry Council is not involved in any cooperative endeavors.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

R. GOVERNMENT-MANDATED NON-EXCHANGE TRANSACTIONS (GRANTS)

The Louisiana Beef Industry Council did not receive any government mandated non-exchange transactions (grants) during the year ended June 30, 2004.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2004, the Louisiana Beef Industry Council was not in violation of any contractual agreements.

T. SHORT-TERM DEBT

The Louisiana Beef Industry Council does not issue short-term debt.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2004, were as follows:

Assessments receivable	<u>\$61,696</u>
------------------------	-----------------

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004, were as follows:

Vendor payables	<u>\$47,817</u>
-----------------	-----------------

W. SUBSEQUENT EVENTS

There were no subsequent events for the year ended June 30, 2004.

X. SEGMENT INFORMATION

The Louisiana Beef Industry Council does not have any reportable segments.

Y. DUE TO/DUE FROM AND TRANSFERS

At June 30, 2004, there were no Due To/Due From and Transfers.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

At June 30, 2004, there were no liabilities payable from restricted assets.

**LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA**

SUPPLEMENTARY INFORMATION

**LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2004**

SCHEDULE OF PER DIEM PAID BOARD MEMBERS

NAME		AMOUNT
Charles Litteral	La. Cattlemen's Association	-0-
Mike Kovac	La. Cattlemen's Association	-0-
Dr. Billy Robinson	La. Cattlemen's Association	-0-
Daniel Lyons	La. Cattlemen's Association	-0-
T. B. Porter	La. Cattlemen's Association	-0-
Dr. Dick Walther	La. Cattlemen's Association	-0-
Adrian Decker	Louisiana Farm Bureau	-0-
John Thompson	Louisiana Farm Bureau	-0-
Charnel Bailey	Louisiana Farm Bureau	-0-
Mike Dominique	La. Livestock Market Association	-0-
Bob Odom	Ex-Officio	-0-
Total		-0-

Board members do not receive a per diem for attending board meetings.

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:				
Assessments				
\$1 Checkoff	\$500,000	\$500,000	\$492,165	\$(7,835)
Less CBPRB Remittance	<u>(250,000)</u>	<u>(250,000)</u>	<u>(246,875)</u>	<u>3,125</u>
	250,000	250,000	245,290	(4,710)
LA. \$.50 Checkoff	210,000	210,000	211,191	1,191
Refunds	<u>0</u>	<u>0</u>	<u>(2,332)</u>	<u>(2,332)</u>
	210,000	210,000	208,859	(1,141)
Total revenues	<u>460,000</u>	<u>460,000</u>	<u>454,149</u>	<u>(5,851)</u>
Expenditures:				
Program expenditures:				
Advertising and other promotions	180,000	180,000	217,597	(37,597)
Research	6,500	6,500	352	6,148
Industry Information	20,000	20,000	24,139	(4,139)
Consumer Information	10,000	10,000	1,050	8,950
Education	<u>25,000</u>	<u>25,000</u>	<u>19,519</u>	<u>5,481</u>
Total Program Expenditures	241,500	241,500	262,657	(21,157)
General and Administrative	<u>130,000</u>	<u>130,000</u>	<u>126,128</u>	<u>3,872</u>
Total expenditures	<u>371,500</u>	<u>371,500</u>	<u>388,785</u>	<u>(17,285)</u>
Operating Income (Loss)	<u>88,500</u>	<u>88,500</u>	<u>65,364</u>	<u>(23,136)</u>
Non-Operating Income (Expenses)				
Use of Money	<u>2,000</u>	<u>2,000</u>	<u>1,642</u>	<u>(358)</u>
Total Non-Operating Revenue	<u>2,000</u>	<u>2,000</u>	<u>1,642</u>	<u>(358)</u>
Change in Net Assets	90,500	90,500	67,006	(23,494)
Total Net Assets - beginning	<u>335,814</u>	<u>335,814</u>	<u>335,814</u>	<u>0</u>
Total Net Assets - ending	<u>426,314</u>	<u>426,314</u>	<u>402,820</u>	<u>(23,494)</u>
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS -
BY ASSESSMENT SOURCE
FOR THE YEAR ENDED JUNE 30, 2004

	<u>\$1</u> <u>ASSESSMENT</u>	<u>\$.50</u> <u>ASSESSMENT</u>	<u>TOTAL</u>
Operating Revenues:			
Assessments	\$492,165	\$211,191	\$703,356
Less: CBPRB Remittance	(246,875)	-0-	(246,875)
Refunds	-0-	(2,332)	(2,332)
Net Operating Revenue	<u>245,290</u>	<u>208,859</u>	<u>454,149</u>
Expenditures:			
Program expenditures:			
Advertising and other promotions	177,075	40,522	217,597
Research	190	162	352
Industry Information	19,299	4,840	24,139
Consumer Information	250	800	1,050
Education	-0-	19,519	19,519
Total Program Expenditures	196,814	65,843	262,657
General and Administrative	1,234	124,894	126,128
Total expenditures	<u>198,048</u>	<u>190,737</u>	<u>388,785</u>
Operating Income (Loss)	<u>47,242</u>	<u>18,122</u>	<u>65,364</u>
Non-Operating Income (Expenses)			
Use of Money	821	821	1,642
Total Non-Operating Revenue	821	821	1,642
Change in Net Assets	<u>48,063</u>	<u>18,943</u>	<u>67,006</u>
	=====	=====	=====

The accompanying notes are an integral part of this statement.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control as required by the *Government Auditing Standards*, issued by the Comptroller General of the United States. This Report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

McRight & Associates

11817 Bricksome Ave., Suite E
Baton Rouge, Louisiana 70816
(225) 292-2041

L. Dalton McRight, CPA, MBA

Jeanette R. McRight, CPA, MBA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

State Of Louisiana
Louisiana Beef Industry Council
Port Allen, Louisiana

We have audited the basic financial statements of the Louisiana Beef Industry Council, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated July 21, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana Auditing Guide.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Beef Industry Council's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Beef Industry Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

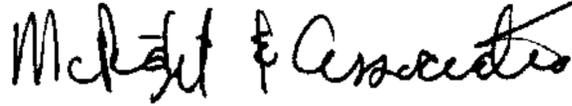
McRIGHT & ASSOCIATES

L. Dalton McRight, CPA, MBA

(225) 292-2041

Jeanette R. McRight, CPA, MBA

This report is intended solely for the information and use of the Board, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



McRIGHT & ASSOCIATES, CPAS
July 21, 2004

McRIGHT & ASSOCIATES

L. Dalton McRight, CPA, MBA

(225) 292-2041

Jeanette R. McRight, CPA, MBA

REPORT ON COMPLIANCE WITH THE BEEF PROMOTION AND RESEARCH ACT OF
1985, THE BEEF PROMOTION AN RESEARCH ORDER AND THE AGRICULTURAL
MARKETING SERVICES INVESTMENT POLICY; BASED ON AN AUDIT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Louisiana Beef Industry Council
Department of Agriculture
State of Louisiana

We have audited the basic financial statements of the Louisiana Beef Industry Council, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated July 21, 2004.

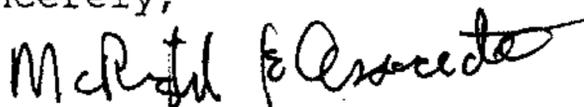
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with the Beef Promotion and Research Act of 1985, and the Beef Promotion and Research Order and the agriculture marketing services investment policy is the responsibility of the Louisiana Beef Industry Council's management. As part of our audit, we assessed the risk that noncompliance with the act and the Order as explained above, could cause the financial statements to be materially misstated. We concluded that the risk of such material misstatement was sufficiently low that it was not necessary to perform tests of the Louisiana Beef Industry Council's compliance with the Act and the Order.

However, in connection with our audit, nothing came to our attention that caused us to believe that the Louisiana Beef Industry Council has not complied, in all material respects, with the Act and the Order referred to in the preceding paragraph.

This report is intended for the information of the Board and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Sincerely,



July 21, 2004

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

SUMMARY SCHEDULE OF FINDINGS

SUMMARY OF AUDITOR'S REPORT

An unqualified opinion was issued on the basic financial statements for the year ended June 30, 2004.

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

Material Weaknesses - none Reportable Conditions - none

COMPLIANCE

Noncompliance Material to Financial Statements - None

MATERIAL FINDINGS

NONE.

MANAGEMENT LETTER

A management letter was not issued as part of this audit.

SUMMARY OF PRIOR AUDIT FINDINGS

There were no prior year auditing findings.

MANAGEMENT CORRECTIVE ACTION PLAN

None Required.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

None.

MANAGEMENT'S CORRECTIVE ACTION PLAN

NONE REQUIRED.

SCHEDULE OF PRIOR YEAR FINDINGS

There were no prior years' findings.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

The following pages contain information required by the Office of Statewide Reporting and Accounting Policy.

LOUISIANA BEEF INDUSTRY COUNCIL
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

C O N T E N T S

Statements

Statement of Net Assets	1
Statement of Revenues, Expenses, and Changes in Fund Net Assets	2
Statement of Activities	3
Statement of Cash Flows	4-5
Notes to the Financial Statements	6-19
A. Summary of Significant Accounting Policies	
B. Budgetary Accounting	
C. Deposits with Financial Institutions and Investments	
D. Capital Assets	
E. Inventories	
F. Restricted Assets	
G. Leave	
H. Retirement System	
I. Post Retirement Health Care and Life Insurance Benefits	
J. Leases	
K. Long-Term Liabilities	
L. Litigation	
M. Related Party Transactions	
N. Accounting Changes	
O. In-Kind Contributions	
P. Defeased Issues	
Q. Cooperative Endeavors	
R. Government-Mandated Nonexchange Transactions (Grants)	
S. Violations of Finance-Related Legal or Contractual Provisions	
T. Short-Term Debt	
U. Disaggregation of Receivable Balances	
V. Disaggregation of Payable Balances	
W. Subsequent Events	
X. Segment Information	
Y. Due to/Due from and Transfers	
Z. Liabilities Payable from Restricted Assets	
AA. Prior-Year Restatement of Net Assets	
Schedules	
1 Schedule of Per Diem Paid Board Members	20
2 Schedule of State Funding	21
3 Schedules of Long-Term Debt	22
4 Schedules of Long-Term Debt Amortization	25

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2004

LOUISIANA BEEF INDUSTRY COUNCIL

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Robert H. Felkner (Name)
(Title) of the Louisiana beef Industry Council who duly sworn, deposes and says, that the financial
statements herewith given present fairly the financial position of the Louisiana Beef Industry Council at
June 30, 2004 and the results of operations for the year then ended in accordance with policies and
practices established by the Division of Administration or in accordance with Generally Accepted
Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn
and subscribed before me, this 30th day of August, 2004.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: _____
Title: _____
Telephone No.: _____
Date: _____

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2004**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$ 222,847
Investments (Note C2)	164,439
Receivables (net of allowance for doubtful accounts)(Note U)	61,696
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Other current assets	1,655
Total current assets	450,637

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	0
Total assets	\$ 450,637

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 47,817
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	47,817

NON-CURRENT LIABILITIES:

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	0
Total liabilities	47,817

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	402,820
Total net assets	402,820
Total liabilities and net assets	\$ 450,637

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	454,149
Use of money and property	0
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	454,149
OPERATING EXPENSES	
Cost of sales and services	262,657
Administrative	126,128
Depreciation	_____
Amortization	_____
Total operating expenses	388,785
Operating income(loss)	65,364
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	1,642
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	1,642
Income(loss) before contributions and transfers	67,006
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	67,006
Total net assets – beginning as restated	335,814
Total net assets – ending	\$ 402,820

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2004**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Component Unit:				
Operating	\$ <u>388,785</u>	\$ <u>454,149</u>	\$ _____	\$ <u>65,364</u>
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				<u>1,642</u>
Miscellaneous				_____
Special items				_____
Transfers				_____
Total general revenues, special items, and transfers				<u>1,642</u>
Change in net assets				<u>67,006</u>
Net assets - beginning				<u>335,814</u>
Net assets - ending				\$ <u><u>402,820</u></u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004

Cash flows from operating activities		
Cash received from customers	\$	706,709
Cash payments to suppliers for goods and services		(636,874)
Cash payments to employees for services		
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>69,835</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers in		
Transfers out		
Net cash provided(used) by non-capital financing activities		<u>0</u>
Cash flows from capital and related financing		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>0</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		1,642
Net cash provided(used) by investing activities		<u>1,642</u>
Net increase(decrease) in cash and cash equivalents		<u>71,477</u>
Cash and cash equivalents at beginning of year		<u>151,370</u>
Cash and cash equivalents at end of year	\$	<u><u>222,847</u></u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>65,364</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	_____	
Provision for uncollectible accounts	_____	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable	4,925	
(Increase)decrease in due from other funds	_____	
(Increase)decrease in prepayments	_____	
(Increase)decrease in inventories	_____	
(Increase)decrease in other assets	_____	
Increase(decrease) in accounts payable	(454)	
Increase(decrease) in accrued payroll and related benefits	_____	
Increase(decrease) in compensated absences payable	_____	
Increase(decrease) in due to other funds	_____	
Increase(decrease) in deferred revenues	_____	
Increase(decrease) in other liabilities	_____	
 Net cash provided(used) by operating activities		 \$ <u><u>69,835</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	_____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	<u><u>0</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

INTRODUCTION

The Louisiana Beef Industry Council (the Council) is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture, as provided by Louisiana Revised Statute 3:555. The Council is composed of ten members appointed by the executive committee of the Louisiana Cattlemen's Association, the Board of Directors of the Louisiana Livestock Auction Markets Association, and the president of the Louisiana Farm Bureau Federation. The commissioner of Agriculture serves as an ex-officio member of the Council. The members serve three year terms with no member serving more than two consecutive terms. The Council is charged with the responsibility of helping develop, maintain, and expand the state, national and foreign markets for cattle and beef products produced, processed, or manufactured in this state, and to permit the cattle production and feeding industry of this state to contribute to the development and sustenance of Louisiana and nationally coordinated programs of product improvement. The operations of the Council are funded by an assessment levied on Louisiana cattle marketed within or outside of the state. The assessment revenues are statutorily established by the U. S. Beef Promotion and Research Act of 1985, 7 USC 2901-2918 and by Act 587 of the Louisiana Legislature.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Beef Industry Council present information only as to the transactions of the programs of the board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Beef Industry Council are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004

B. BUDGETARY ACCOUNTING

The Council is a non-budgetary unit of the Department of Agriculture and is not required to legally adopt a budget. The board does prepare a budget that is amended at each board meeting as it reviews revenues received, then approves the expenditures.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Beef Industry Council may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana Beef Industry Council may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2004, were secured as follows:

	<u>Cash</u>	<u>of Deposit</u>	<u>(Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 222,847	\$ 164,439	\$	\$ 387,286
Bank balances: (Category 3 only)				
a. Unisured and uncollateralized				
b. Unisured and collateralized with securities held by the pledging institution				
c. Unisured and collateralized with securities held by the pledging institution's trust dept or agent, not in entities name				
Total Category 3 bank balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total bank balances	\$ <u>245,255</u>	\$ <u>164,439</u>	\$ <u>0</u>	\$ <u>409,694</u>

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	Plaquemine Bank	Demand Deposits	\$ 245,255
2.	Plaquemine Bank	Certificate of Deposit	164,439
3.			
4.			
Total			\$ <u>409,694</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included in the balance sheet.

Cash in State Treasury	\$	
Petty cash	\$	

2. INVESTMENTS

The Louisiana Beef Industry Council's investments consist of certificates of deposit (included above) with a maturity of 90 days or more at date of issue.

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

Certain types of investments cannot appropriately be categorized. These are to be listed separately at the end of the schedule in the space provided.

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

<u>Type of Investment</u>	<u>Category of Risk</u>			<u>Reported Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ 0	\$ _____
U.S. Government securities	_____	_____	_____	0	_____
Common & preferred stock	_____	_____	_____	0	_____
Commercial paper	_____	_____	_____	0	_____
Corporate bonds	_____	_____	_____	0	_____
Other: (identify)	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
Total categorized investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Investments not categorized: (list separately)					
_____				_____	_____
_____				_____	_____
_____				_____	_____
_____				_____	_____
Total investments				\$ 0	\$ 0

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____
- b. Securities underlying reverse repurchase agreements _____
- c. Unrealized investment losses _____
- d. Commitments as of June 30, 2002, to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____
 - 2. Description of the terms of the agreement _____
- e. Investment types owned during the year but not owned as of June 30 _____
- f. Losses during the year due to default by counterparties to deposit or investment transactions _____
- g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

- h. Source of legal or contractual authorization for use of reverse repurchase agreements _____
- i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of the Balance Sheet Date

- j. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- k. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____
- l. Market value on _____ (fiscal close), of the securities to be repurchased _____
- m. Description of the terms of the agreements to repurchase _____
- n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- o. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- q. Basis for determining which investments, if any, are reported at amortized cost _____
- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- t. Any involuntary participation in an external investment pool _____
- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- v. Any income from investments associated with one fund that is assigned to another fund _____

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004

D. CAPITAL ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net assets of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2004						
	Balance 6/30/2003	Additions	Transfers *	Retirements	Balance 6/30/2004	Prior Period Adjustment	Adjusted Balance 6/30/2004
Capital assets not being depreciated							
Land		--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets							
Furniture, fixtures, and equipment	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total furniture, fixtures, and equipment	--	--	--	--	--	--	--
Buildings and improvements		--	--	--	--	--	--
Less accumulated depreciation		--	--	--	--	--	--
Total buildings and improvements	--	--	--	--	--	--	--
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	--	--	--	--	--	--	--
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	--	--	--	--	--	--	--
Total cost of capital assets	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Capital assets, net	--	--	--	--	--	--	--

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The council's inventories are immaterial and are expensed as purchased.

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2004

F. RESTRICTED ASSETS – n/a

Restricted assets in the Louisiana Beef Industry Council at June 30, 2004, reflected at \$_____ in the current assets section on Statement A, consist of \$_____ in cash with fiscal agent, \$_____ in receivables, and \$_____ investment in _____ (identify the type investments held.)

Restricted assets in the Louisiana Beef Industry Council at June 30, 2004, reflected at \$_____ in the non-current assets section on Statement A, consist of \$_____ in cash with fiscal agent, \$_____ in receivables, and \$_____ investment in _____ (identify the type investments held.)

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Beef Industry Council does not have any employees.

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

2. COMPENSATORY LEAVE

The Louisiana Beef Industry Council does not have any employees.

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2002 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$_____. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

The Louisiana Beef Industry Council does not have any employees.

Substantially all of the employees of the Louisiana Beef Industry Council are members of the La State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Beef Industry Council employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Louisiana Beef Industry Council is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2004, decreased to ___% of annual covered payroll from the ___% and ___% required in fiscal years ended June 30, 2004 and 2003, respectively. The Louisiana Beef Industry Council contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$_____, \$_____, and \$_____, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Louisiana Beef Industry Council does not have any employees.

Substantially all Louisiana Beef Industry Council employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the Louisiana Beef Industry Council. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Louisiana Beef Industry Council. For 2004, the cost of providing those benefits for the _____ retirees totaled \$_____.

The Louisiana Beef Industry Council provides certain continuing health care and life insurance benefits for its retired employees. Substantially all Louisiana Beef Industry Council employees become eligible for those benefits if they reach normal retirement age while working for the Louisiana Beef Industry Council. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the Louisiana Beef Industry Council. The Louisiana Beef Industry Council recognizes the cost of providing these benefits (Louisiana Beef Industry Council's portion of premiums) as an expenditure when paid during the year, which was \$_____ for the year ended _____, 20____. The Louisiana Beef Industry Council's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2004 the costs of _____ retiree benefits totaled \$_____.

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004

J. LEASES

1. OPERATING LEASES

The Louisiana Beef Industry Council does not have any operating leases.

2. CAPITAL LEASES

The Louisiana Beef Industry Council does not have any capital leases.

3. LESSOR DIRECT FINANCING LEASES

The Louisiana Beef Industry Council does not have any direct financing leases.

4. LESSOR - OPERATING LEASE

The Louisiana Beef Industry Council does not have any lessor operating leases.

K. LONG-TERM LIABILITIES - n/a

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2004:

	Balance June 30, 2003	Year ended June 30, 2004		Balance June 30, 2004	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$	--
Reimbursement contracts payable					--
Bonds payable					--
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable					--
Compensated absences payable					--
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	--	--	--	--	--
Total long-term liabilities	--	--	--	--	--

A detailed summary, by issues, of all debt outstanding at June 30, 20__, including outstanding interest of \$_____ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt.

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004

L. LITIGATION

1. The Louisiana Beef Industry Council is a defendant in litigation seeking damages as follows:

<u>Date of Action</u>	<u>Description of Litigation</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
none			\$	\$
Totals			\$ 0	\$ 0

The Louisiana Beef Industry Council's legal advisor estimates that potential claims not covered by insurance would not materially affect the financial statements or is unable to estimate the effect on the financial statement:

2. Claims and litigation costs of \$ n/a were incurred in the current year and are reflected in the accompanying financial statement.

M. RELATED PARTY TRANSACTIONS

The Council has a contract with the Louisiana Cattlemen's Association (LCA) to provide office facilities and personnel and to share various expenses of the Chief Executive Officer. The Council paid \$130,661 on this contract and for shared promotional expenses for the year ending June 30, 2004. The Council also shares the utilities and lease of billboard space with LCA for the year ended June 30, 2004.

N. ACCOUNTING CHANGES

None.

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
Notes to the Financial Statement
As of and for the year ended June 30, 2004

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2004, the Louisiana Beef Industry Council was not in violation of any contractual provisions.

T. SHORT-TERM DEBT

The Louisiana Beef Industry Council does not issues short-term notes.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2004, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
BTA	\$ 61,696	\$	\$	\$ 0	\$ 61,696
					0
Gross receivables	\$ 61,696	\$ 0	\$ 0	\$ 0	\$ 61,696
Less allowance for uncollectible accounts	0	0	0	0	0
Receivables, net	\$ 61,696	\$ 0	\$ 0	\$ 0	\$ 61,696
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ 0

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
BTA	\$ 47,817	\$	\$	\$	\$ 47,817
					0
Total payables	\$ 47,817	\$ 0	\$ 0	\$ 0	\$ 47,817

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004

W. SUBSEQUENT EVENTS

There were no subsequent events to disclose.

X. SEGMENT INFORMATION

The Louisiana Beef Industry Council does not have any reportable segments.

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ <u>0</u>

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ <u>0</u>

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ <u>0</u>

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ <u>0</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

There were no liabilities payable from restricted assets in the Louisiana Beef Industry Council at June 30, 2004.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2004.

<u>Fund balance</u> <u>July 1, 2003,</u> <u>previously reported</u>	<u>Adjustments</u> <u>+ or (-)</u>	<u>Beginning net</u> <u>assets, July 1, 2003,</u> <u>As restated</u>
_____	\$ _____	\$ _____
_____	_____	---
_____	_____	---
_____	_____	---
_____	_____	---
_____	_____	---
_____	_____	---

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
SCHEDULE OF STATE FUNDING
For the Year Ended JUNE 30, 2004**

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u> 0</u>

**STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2004**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2004

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ _____	\$ _____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008-2012	_____	_____
2013-2017	_____	_____
2018-2022	_____	_____
2023-2027	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2004

Fiscal Year <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
2003	\$ _____	\$ _____	\$ _____	\$ _____ --
2004	_____	_____	_____	_____ --
2005	_____	_____	_____	_____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008-2012	_____	_____	_____	_____ --
2013-2017	_____	_____	_____	_____ --
2018-2022	_____	_____	_____	_____ --
2023-2027	_____	_____	_____	_____ --
 Total	 \$ <u>_____</u> --	 \$ <u>_____</u> --	 <u>_____</u> --	 <u>_____</u> --

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2004

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2003	\$ _____	\$ _____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008-2012	_____	_____
2013-2017	_____	_____
2018-2022	_____	_____
2023-2027	_____	_____
 Total	 \$ _____ -- =====	 \$ _____ -- =====

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2004

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2003	\$ _____	\$ _____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008-2012	_____	_____
2013-2017	_____	_____
2018-2022	_____	_____
2023-2027	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION
 NON-GAAP BASIS
 JUNE 30, 2004

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/03	Revised Budget
Operating Revenues:				
Intergovernmental Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Sales of Commodities and Services	_____	_____	_____	_____
Other	_____	_____	_____	_____
Total Operating revenues	_____	_____	_____	_____
Operating Expenses:				
Personal services	\$ _____	\$ _____	\$ _____	\$ _____
Travel	_____	_____	_____	_____
Operating Services	_____	_____	_____	_____
Supplies	_____	_____	_____	_____
Professional services	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____
Interagency transfers	_____	_____	_____	_____
Other charges	_____	_____	_____	_____
Total Operating Expenses	_____	_____	_____	_____
Nonoperating Expenses:				
Use of Money and Property	_____	_____	_____	_____
Gain (Loss) on Disposal of Fixed Assets	_____	_____	_____	_____
Federal Grants	_____	_____	_____	_____
Interest Expense	_____	_____	_____	_____
Other	_____	_____	_____	_____
Total Nonoperating Expenses	_____	_____	_____	_____
Capital Contributions	_____	_____	_____	_____
Operating Transfers In	_____	_____	_____	_____
Operating Transfers Out	_____	_____	_____	_____
Change in Net Assets	\$ _____	\$ _____	\$ _____	\$ _____

Continued

Schedule 5

STATE OF LOUISIANA
LOUISIANA BEEF INDUSTRY COUNCIL
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2004

Budgeted Income (Loss)	\$	
Reconciling items:		
Cash carryover		
Depreciation		
Payroll accrual		
Compensated absences adjustment		
Capital outlay		
Change in inventory		
Bad debts expense		
Prepaid expenses		
Principal payment		
Loan Principal Repayments included in Revenue		
Loan Disbursements included in Expenses		
Accounts receivable adjustment		
Accounts payable/estimated liabilities adjustment		
Other		
Change in Net Assets	\$	-
Concluded		

SCHEDULE 5

STATE OF LOUISIANA
 LOUISIANA BEEF INDUSTRY COUNCIL
 COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 455,791	\$ 462,139	\$ (6,348)	1.4%
Expenses	388,785	309,119	79,666	25.8%
2) Capital assets	-0-	-0-	-0-	0
Long-term debt	-0-	-0-	-0-	0
Net Assets	402,820	335,814	67,006	20.0%

Explanation for change: Increase in promotion

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 462,000	\$ 462,000	\$ -0-	-0-
Expenditures	371,500	371,500	-0-	-0-

Explanation of change: _____

	<u>2004 Final Budget</u>	<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	462,000	455,791	(6,209)	1.3%
Expenditures	371,500	388,785	(17,285)	4.7%

Explanation of change: Increase promotion